

APPENDICES

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DISTRICT COURT RESPONSE

King County District Court
Office of the Presiding Judge
W1034 King County Courthouse
516 Third Avenue
Seattle, Washington 98104
Telephone: (206) 205-9200
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OCT 21 2002

KING COUNTY AUDITOR

J. Wesley Saint Clair,
Presiding Judge

Tricia L. Crozier,
Interim Chief Administrative Officer

October 21, 2002

Cheryle A. Broom, County Auditor
W1020 King County Courthouse
Seattle, WA 98104-3272

Re: Preliminary Report – District Court Revenues

Dear Ms. Broom:

I have reviewed your preliminary report of the Special Study of the District Court Revenues. It is a very comprehensive and thorough report. I want to commend your staff for a job well done.

Below are my comments on the four findings in your report.

1. Passport Photo Services

District Court understands the extreme financial difficulties that King County is facing. The court is willing to explore all avenues open for generating new revenue. I agree that there is potential for new revenue in providing a passport photo service to our passport customers. The biggest concern at this time is the extreme understaffing level that offers additional challenges to the ability to implement this process. The backlog of case related work is increasing daily and is the court's foremost priority. The Court is open to the possibility of providing passport photo services and will be conducting a costs/benefits analysis as part of its preparation for the 2004 budget.

2. Fee for Returned Documents

Our Judges are continually working with the Washington State District and Municipal Court Judges Association (DMCJA). This committee is responsible for making any motions to the state legislature. District Court is currently imposing all fees allowed. District Court must have statutory authority to impose any new fines, fees or penalties. The Court would like to see legislature allow the courts to not only assess a fee for returned documents, but also to increase the fee for filing civil and small claims cases in courts of limited jurisdiction. The Court will continue to work with DMCJA, the King County Executive and the King County Council on new ideas for increasing our revenue.

DISTRICT COURT RESPONSE (Continued)

Cheryle A. Broom
October 21, 2002
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3. Contract for Collection Service

The Court would also like to see performance measures or benchmarks to evaluate performance of the collection agency. This issue will be addressed when the collections contract goes out for RFP.

4. Time-Pay and Non-Time-Pay Accounts

We concur that Finance & Business Operations Divisions (FBOD) should maintain time-pay and non-time-pay accounts with frequency to enhance consistency in our receivables. We have been discussing with FBOD the procedures on the recording of the time-pay and non-time pay accounts and ways of recording receivables with more accuracy. We have spoken with Administrative Office for the Courts (AOC) on this issue and are in discussions on how we can implement this process.

It was a pleasure working with your office.

Respectfully,



J. Wesley Saint-Clair
Presiding Judge

Cc: Calvin Hoggard, Executive Chief of Staff
Bob Cowan, Finance Manager, Division of Finance & Business Operations
Tricia Crozier, Interim Chief Administrative Officer, District Court
Donna Brunner, Director of Budget & New Development, District Court
Steve Call, Budget Director, Budget Office
Dave Lawson, Manager, Executive Audit Services
Connie Griffith, Chief Accountant/Manager, Division of Finance & Business Operations
Pat Presson, Deputy Manager, Division of Finance & Business Operations

EXECUTIVE RESPONSE



King County

Ron Sims

King County Executive

516 Third Avenue, Room 400
Seattle, WA 98104-3271

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OCT 29 2002

KING COUNTY AUDITOR

October 24, 2002

Cheryle Broom
King County Auditor
Room 1020
COURTHOUSE

Dear Ms. Broom:

Thank you for the draft report entitled District Court Revenues in which you identified and recommended passport photo services and handling fees for returned documents as two potential sources of additional revenue. Finance and Business Operations Division and Budget Office staff reviewed the draft report and the results of their review are incorporated in my response below.

References on page three and various other places in your report imply that District Court 'owns' the revenues that it generates. The revenues generated by District Court – and those of every other Current Expense (CX) agency – are CX revenues. Accordingly, it would be more accurate to change references to District Court's revenues to 'revenues generated by District Court on behalf of the Current Expense Fund'. Budget Office managers will work with District Court in the coming months to evaluate the feasibility of implementing your recommendations for the 2004 budget.

FINDING 3 The current contract for collection services has no performance measures or benchmarks to evaluate performance of the collection agency.

RECOMMENDATION 3-1

The Finance and Business Operations Division (FBOD), in coordination with the District Court, should include appropriate performance measures in contracts with collection agencies and use them to evaluate contractor performance.

RESPONSE:

Although there are no specified performance measurements in the collection agency contract, there is a constant, ongoing direct communication between county and agency staff, in addition to monthly review of current reports and account status.

EXECUTIVE RESPONSE (Continued)

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In future Requests for Proposals, FBOD will include performance measurement requirements that include, but are not limited to: a reasonable and appropriate quarterly recovery expectation in negotiations with the collection agency; quarterly performance reports; realistic and relevant account data; and performance indicators with recovery rates for similar governmental clients.

Finding 4 Time-pay and Non-time-pay accounts are not maintained in the county's account receivable and financial systems.

Recommendation 4-1 The FBOD should routinely and in a timely manner record all receivables from non-time-pay and time-pay accounts in the county's accounts receivable and financial systems.

Response:

We agree that King County would greatly enhance District Court accountability by routinely and timely recording all receivables from non-time-pay and time-pay accounts in the County's accounts receivable and financial systems. As a practical matter however, this would be difficult to do because the District Court Information System (DISCIS) is not a financial system and is not set up to interface records on a regular basis into the County accounts receivable system at either a detail or a summary level. Any request to do so would be dependent on the state's willingness and ability to make major changes to its current system and process. Currently, King County is limited to requesting and receiving District Court reporting on a periodic basis as of a specified date.

Because accounts receivable activity (revenue, payments and adjustments detail) are not available from the state DISCIS system, it is uncertain what benefits would be gained by plugging a "net change" each month merely to account for changed accounts receivable balances. However, FBOD will explore potential benefits with District Courts. For FBOD to prepare monthly postings would require receiving summary information from District Courts and approximately a day per month of additional work by FBOD to coordinate and compile the County's share of the receivables for supplementary entries.

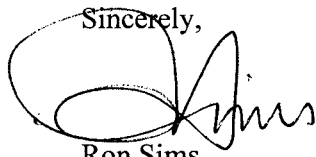
FBOD has accomplished correct year-end GAAP reporting in the financial statements using District Courts' annual procedure. That is, District Courts accounts receivables are based on actual subsidiary system (DISCIS) receivables. The un-collectible accounts are based on an in-house estimation procedure using experience factors against the aging of the receivables.

An alternative to the DISCIS deficiencies would be to utilize the County's current accounts receivable/billing system (AIRS) or develop a separate accounts receivable system for the District Courts that interfaces with the County's general ledger. However, this would result in cost incurred in addition to the current state court system. This alternative also has distinct drawbacks and loss of benefits because the accounts receivable system created or used would not be integrated with other state court functionality.

EXECUTIVE RESPONSE (Continued)

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Thank you again for the opportunity to respond to your report. We welcome suggestions that enhance the effectiveness of administrative operations.

Sincerely,


Ron Sims
King County Executive

cc: The Honorable Wesley Saint Clair, Presiding Judge, District Court
Cal Hoggard, Chief of Staff, Executive's Office
Bob Cowan, Manager, Finance and Business Operations Division (DES)
Connie Griffith, Manager, Financial Management Section, (DES)
David Lawson, Manager, Executive Audit Services
Steve Call, Director, Office of Budget
Beth Goldberg, Budget Supervisor, Office of Budget

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APPENDIX 1

SELECTED COURT FEES CHARGED BY KING COUNTY DISTRICT COURT AND OTHER COURTS IN WASHINGTON STATE

Fees	Notes	District Court King County	District Court Spokane County	District Court Thurston County	District Court Pierce County	Superior Court King County	Superior Court Spokane County	Superior Court Snohomish County	Superior Court Pierce County
Anti-harassment filing	1	51.00	41.00	31.00	41.00	41.00	110.00		
Civil filing		41.00	41.00	41.00		110.00	110.00	110.00	110.00
Civil jury demand		50.00	50.00	50.00	50.00				
Impound fee		41.00	41.00						
Name change filing	2	60.00	54.00	45.00	72.00*		110.00		
Small claims filing	3	21.00	25.00	25.00	25.00				
Supplemental procedure		12.00	12.00	12.00	12.00				
Transcript/judgment fee		6.00	6.00	6.00	6.00		2.00		
Writs		6.00	6.00	6.00	6.00	20.00		20.00	20.00
Extra handling fee						15.00			
Appeal fee**		110.00	110.00	110.00			110.00	110.00	110.00
Appeal Prep Fee		40.00	40.00	40.00	40.00				
Certified copies		5.00	5.00	5.00	5.00			2.00	2.00
Certified copies after 1st page								1.00	
Copy fees		0.15	1.00		1.00/.50	0.50		0.50	
Tape/CD reproduction		10.00	10.00	10.00	10.00	25.00			10.00/25.00
Copy per audio tape								10.00	
Copy per video tape								25.00	
NSF checks		25.00	25.00			25.00			
Clerk's paper per page						0.50			
Jury demand - 12 jurors						250.00	100.00	250.00	250.00
Jury demand - 6 jurors						125.00	50.00	125.00	125.00
Abstract of judgment per page						0.50			15.00
Abstract of judgment - preparation									2.00
Request for mandatory arbitration									120.00
Deeds of Trust					110.00				
incorrect document						15.00			
for first page						3.00			
for each additional page						1.00			
Transcript from district court						15.00			15.00
Frivolous claim					35.00				

Notes: 1 - Additional \$10 charge is for copies and certification.

2 - Code specifies \$50 for recording plus all other applicable fees.

3 - Codes specify a \$10 filing fee plus any surcharge authorized by RCW 7.75.035.

* Includes an additional \$24 charge for family member.

** Collected by District Court for Superior Court.

Source: King County District Court Records and other Courts' Websites

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APPENDIX 2

ACCOUNTS RECEIVABLES FROM CITY-FILED CASES as of December 31, 2001

	Non-Time Pay	Time Pay	Total	Less 32% State Portion	Net	Est. City Portion-25%	Est. County Portion-75%
Federal Way District Court							
Federal Way	\$5,123,230	\$62,820	\$5,186,050	\$1,659,536	\$3,526,514	\$881,629	\$2,644,886
Northeast District Court							
Bothell	215,010	0	215,010	68,803	146,207	36,552	109,655
Carnation	88,690	160	88,850	28,432	60,418	15,105	45,314
Duvall	75,251	2,230	77,481	24,794	52,687	13,172	39,515
Kirkland	502,839	0	502,839	160,908	341,931	85,483	256,448
Redmond	1,219,905	51,342	1,271,247	406,799	864,448	216,112	648,336
Skykomish	2,234	0	2,234	715	1,519	380	1,139
Woodinville	166,230	6,595	172,825	55,304	117,521	29,380	88,141
Aukeen District Court							
Algona	674	0	674	216	458	115	344
Auburn	936	0	936	300	636	159	477
Covington	226,590	72,105	298,695	95,582	203,113	50,778	152,334
Kent	11,510	3,579	15,089	4,828	10,261	2,565	7,695
Bellevue District Court							
Bellevue	6,195,842	1,148,383	7,344,225	2,350,152	4,994,073	1,248,518	3,745,555
Clyde Hill	140,589	6,987	147,576	47,224	100,352	25,088	75,264
Hunts Point	94,050	650	94,700	30,304	64,396	16,099	48,297
Mercer Island	1,000,882	136,693	1,137,575	364,024	773,551	193,388	580,163
Medina	180,023	1,764	181,787	58,172	123,615	30,904	92,711
Yarrow Point	31,018	1,645	32,663	10,452	22,211	5,553	16,658
Renton District Court							
Newcastle	112,183	10,455	122,638	39,244	83,394	20,848	62,545
Shoreline District Court							
Kenmore	279,657	147,916	427,573	136,823	290,750	72,687	218,062
Shoreline	1,688,804	570,738	2,259,542	723,053	1,536,489	384,122	1,152,366
Southwest District Court							
Burien	1,250,981	248,867	1,499,848	479,951	1,019,897	254,974	764,922
Normandy	177,479	44,081	221,560	70,899	150,661	37,665	112,996
Vashon	115,078	20,347	135,425	43,336	92,089	23,022	69,067
Seatac	59,467	0	59,467	19,029	40,438	10,109	30,328
Total	\$18,959,152	\$2,537,357	\$21,496,509	\$6,878,883	\$14,617,626	\$3,654,407	\$10,963,220

Source: Divisions of District Court time pay and non-time pay summary reports for year-end 2001.

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ABBREVIATIONS

CX	Current Expense
DISCIS	District Court Information System
FBOD	Finance & Business Operations Division
GAAP	Generally Accepted Accounting Principles
JIS	Judicial Information System
RCW.....	Revised Code of Washington

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